LIBRARY
SUPREME COURT, U.S.

Supreme Court, U.S.
FILED
FEB 18 1972
E. ROBERT SEAVER, CLERK

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1971

No. 71-1061

ARNESON PRODUCTS, INC., and HOWARD M. ARNESON,
Petitioners,

vs.

CHARLES M. BLUMENFELD, *Respondent.*

PETITION FOR A WRIT OF CERTIORARI
to the California Court of Appeal, First Appellate District, Division Four

CHARLES E. TOWNSEND, JR.,
One Kearny Street,
San Francisco, California 94108,
Telephone: (415) 397-4757,
Attorney for Petitioners.

TOWNSEND AND TOWNSEND,
STEPHEN S. TOWNSEND,
ANTHONY B. DIEPENBROCK,
WILLIAM D. McCANN,
One Kearny Street,
San Francisco, California 94108,
Telephone: (415) 397-4757,
Of Counsel.

PERNAU-WALSH PRINTING CO. SAN FRANCISCO, CALIFORNIA

Subject Index

	Page
Opinion below	2
Jurisdiction	2
Federal questions presented	2
The constitutional and statutory provisions involved	3
Statement of the case	4
A. Factual background	4
B. Stage during the state court proceedings in which the federal questions on this petition were first raised	6
Reasons for granting petition	7
I. Is the issue of patent invalidity a waivable defense? More basically, is it consistent with public policy to permit the monopolistic scope of a patent claim to be construed and adjudicated solely in reference to the issue of infringement, without regard to whether such claim, as so construed, is of valid enforceable scope?	7
II. May a final judgment of a court properly decree a patent valid notwithstanding that (a) the issue of validity was never "expressly raised or otherwise alluded to" in the state court action prior to appellate review and that (b) the defense of validity is decreed to have been waived?	11
III. May a court properly conclude literal infringement of a patent claim without construing and interpreting the language of the claim in reference to the patentee's drawings and specifications which support the claim?	13
Conclusion	14

Table of Authorities Cited

Cases

	Pages
Blonder-Tongue Laboratories v. University of Illinois Foundation, 402 U.S. 313 (1971)	12
FMC Corp. v. F. E. Myers & Bro. Co., 384 Fed.2d 4 (6th Cir. 1967) cert. den. 382 U.S. 847, 385 U.S. 846, reh. den. 382 U.S. 934 (1965)	10
Graham v. John Deere, 383 U.S. 1 (1966)	8, 12
HAP Corp. v. Heyman Mfg. Co., 311 Fed.2d 839 (1st Cir. 1962) cert. den. 373 U.S. 903 (1963)	10
Hogg v. Emerson, 11 How. 587 (1850)	14
Hycon Manufacturing Co. v. H. Koch & Sons, 219 Fed.2d 353, cert. den. 349 U.S. 953 (1955)	9
Lear, Inc. v. Adkins, 395 U.S. 653 (1969)	4, 7, 9, 12
Marvin Glass & Associates v. Sears Roebuck & Co., 171 U.S.P.Q. 263 (5th Cir., 1971)	10
Massillon-Cleveland-Akron Sign Co. v. Golden State Advertising Co., et al., 444 Fed.2d 425 (U.S. App. Pndg.) (9th Cir. 1971)	9
M.O.S. Corp. v. John I. Haas Co., Inc., 375 Fed.2d 614 (9th Cir. 1967)	9
Nyyssonen v. Bendix Corp., 342 Fed.2d 531 (1st Cir., 1965)	10
Ransburg Electro-Coating Corp. v. Proctor Electric Co., 317 F.2d 302 (4th Cir., 1963)	10
Royal-McBee Corporation v. Smith-Corona Marchant, Inc., 295 Fed.2d 1 (2nd Cir., 1961)	10
Schriber-Schroth Co. v. Cleveland Trust Co., 311 U.S. 211 (1940)	14
Securities Exchange Commission v. Otis, 338 U.S. 843 (1949)	13
Sinclair & Carroll Co., Inc. v. Interchemical Corp., 325 U.S. 327 (1947)	7, 9, 12
Standard Industries v. Tigrett, 397 U.S. 586 (1970)	7, 10, 11
United States v. Adams, 383 U.S. 39 (1966)	14

Statutes

28 U.S.C. Sec. 1257(3)	2

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1971

No.

ARNESON PRODUCTS, INC., and HOWARD M. ARNESON,
Petitioners,

VS.

CHARLES M. BLUMENFELD, *Respondent.*

PETITION FOR A WRIT OF CERTIORARI
to the California Court of Appeal, First Appellate District, Division Four

---

The petitioners, Arneson Products, Inc. and Howard M. Arneson, respectfully pray that a writ of certiorari issue to review the judgment and opinion of the California Court of Appeal, First Appellate District, Division Four, entered in the proceeding on November 10, 1971.

OPINION BELOW

The unpublished opinion of the California Court of Appeal, the trial court judgment which it affirmed, the order denying rehearing, and the order denying hearing before the California Supreme Court appear in Appendices A, B, C and D, respectively.

JURISDICTION

The judgment of the California Court of Appeal, First Appellate District, Division Four, was entered on November 10, 1971. A petition for rehearing before said Court, timely filed, was denied on December 10, 1971. A timely petition for hearing before the California Supreme Court was denied on January 6, 1972, and this petition for certiorari was filed within ninety days of that date. This Court has jurisdiction under 28 U.S.C. §1257(3).

FEDERAL QUESTIONS PRESENTED

In a state court action to recover royalties under a patent license agreement wherein the final judgment as affirmed on appeal decreed the patent both valid and infringed, and wherein, further, the Appellate Court's decision declared that the issue of patent validity was not in fact expressly raised or otherwise alluded to during trial proceedings and that the question of patent validity had been waived as a defense:

I.

Is the issue of patent validity a waivable defense?

More basically, is it consistent with public policy to permit the monopolistic scope of a patent claim to be construed and adjudicated solely in reference to the issue of infringement, without any regard as to whether such claim, as so construed, is of valid enforceable scope?

II.

May a final judgment of a state court properly decree a patent valid notwithstanding that

a. the issue of validity was never "expressly raised or otherwise alluded to" in the State Court action prior to Appellate review and that

b. the defense of validity is decreed to have been waived?

III.

May a court properly conclude literal infringement of a patent claim without construing and interpreting the language of the claim in reference to the patentee's drawings and specifications which support the claim?

THE CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The patent laws of the United States and federal patent policy as enunciated by the United States Supreme Court.

STATEMENT OF THE CASE

A. Factual Background

On December 29, 1959, respondent Blumenfeld was granted U.S. Letters Patent No. 2,919,027 entitled Swimming Pool Cleaning Apparatus. In April, 1964, Blumenfeld issued an exclusive license pursuant to which Arneson paid royalties to Blumenfeld. Subsequently, Arneson developed a pool cleaning device called "Pool Sweep," which Arneson considered to be totally different from anything covered by the Blumenfeld patent and, whereupon, Arneson ceased paying royalties to Blumenfeld.

In October, 1965, Blumenfeld filed suit in the Superior Court, State of California, County of Marin, to recover royalties from Arneson under the aforesaid patent license agreement. Trial of the case was before the Superior Court, sitting without jury. On February 18, 1970, the court settled on findings and conclusions and entered judgment awarding respondent Blumenfeld substantial money damages for royalties on the "Pool Sweep."

Trial of the action occurred subsequent to the decision by this court in *Lear, Inc. v. Adkins*[1] which held that a licensee under a patent could challenge the validity of the patent in a suit based upon a license agreement. Petitioners determined not to contest the validity of the Blumenfeld patent at trial, but concentrated instead on what seemed a clear defense of

---

[1]395 U.S. 653, 671 (1969).

non-infringement. One of the conclusions of the trial court upon which judgment was based stated:

> "Although defendants might have challenged the validity of plaintiffs patent under Lear v. Adkins . . . they did not."

Nevertheless, the judgment as entered and as subsequently affirmed decrees:

> "Claim 3 of plaintiff's patent . . . is valid and infringed."

In affirming the trial court judgment, the State Court of Appeal expressly ruled that the issue of validity had not been raised as a defense, and had been waived by Arneson.

The broad and functional language and scope of the patent claim was construed and adjudicated solely in reference to reading it on the "Pool Sweep" as an infringement. No consideration was given as to whether such claim, as judicially construed by the court, fell outside the scope and content of the prior art, or otherwise fulfilled the requirements of a valid and enforceable patent monopoly.

The State Appellate Court also ruled that "to support a finding of literal infringement . . . all that is necessary is that all elements of the patented device be shown by the *claim* language to be present in the accused device." At the same time the court expressly conceded that the "Pool Sweep" did not embody the operating structure shown and described by the patentee in his specification and drawings.

B. Stage During the State Court Proceedings in Which the Federal Questions on this Petition Were First Raised.

I.

The issue of whether patent validity is a waivable defense was first raised in the parties' briefs on appeal filed with the First Appellate District, Division Four (Cf. Appellants' Opening Brief, pp. 70-73; Respondent's Brief, pp. 35-41; Appellants' Reply Brief, pp. 19-24). Although raised as a federal question, the State Appellate Court decided the issue of waiver solely as one of state procedural law.

II.

The impropriety of the judgment (in decreeing the Blumenfeld patent valid without the issue having been raised) was first challenged in the parties' briefs on appeal before the First Appellate District, Division Four (Cf. Appellants' Opening Brief, pp. 70-73; Respondent's Brief, pp. 35-41; Appellants' Reply Brief, pp. 19-24). Although asserted as error in terms of both State and Federal law, the court below merely affirmed the judgment of validity without speaking to the issue in any context.

III.

Petitioner consistently urged during trial proceedings and in post-trial briefs thereafter to construe the Blumenfeld patent in light of the specification and drawings of the patent. On appeal petitioner assigned as error the failure of the trial court to construe claim 3 of the Blumenfeld patent in light of the patent disclosure (Cf. Appellants' Opening Brief, pp. 43-

49). The court ruled that to find literal infringement, it was only necessary that the claim language recite all elements of the accused device.

REASONS FOR GRANTING PETITION

I.

IS THE ISSUE OF PATENT INVALIDITY A WAIVABLE DEFENSE? MORE BASICALLY, IS IT CONSISTENT WITH PUBLIC POLICY TO PERMIT THE MONOPOLISTIC SCOPE OF A PATENT CLAIM TO BE CONSTRUED AND ADJUDICATED SOLELY IN REFERENCE TO THE ISSUE OF INFRINGEMENT, WITHOUT REGARD TO WHETHER SUCH CLAIM, AS SO CONSTRUED, IS OF VALID ENFORCEABLE SCOPE?

The issue of whether the defense of patent invalidity is waivable has never been passed on by this court. However, the holding by the California Appellate Court below that the defense of invalidity is waivable the same as any special defense in ordinary civil litigation is contrary to basic doctrines of federal patent law and public policy as enunciated by this court in such cases as *Sinclair & Carroll Co., Inc. v. Interchemical Corp.*, 325 U.S. 327, 330 (1947); *Lear, Inc. v. Adkins*, 395 U.S. 653, 670 (1969); and *Standard Industries v. Tigrett*, 397 U.S. 586 (1970) (Split decision with opinion filed by Mr. Justice Black).

The specific question of whether the defense of patent invalidity is waivable inherently involves a more basic question which this court has never ruled on, and in respect to which there is conflict and inconsistency amongst the circuit courts. Reduced to funda-

mentals, the question of waiver depends on whether it is both reasonable and consistent with sound public policy to permit, under any circumstances, the monopolistic scope of a patent to be adjudicated solely in reference to the issue of infringement and without any consideration given as to whether the patent, so interpreted, is of valid scope.

Patent claims, more frequently than not, are purposefully drafted to include broad, functional terminology so as to include within their definition a myriad of variations and possible equivalents not disclosed in the patent drawings and specifications.[2] In the usual patent case where both infringement and validity issues are tried, it is necessary for a court to initially construe and interpret claim terminology, to determine whether such nomenclature is sufficiently clear and limited to avoid the prior art, and to otherwise meet the requirements of patentability of *Graham v. John Deere*, 383 U.S. 1, 17 (1966).

However, when a court has before it only the issue of infringement, it has no way of knowing whether the construction and interpretation it places on the claim is of either valid or invalid scope. The court has only to read the broad and functional claim language in comparison with an accused infringing structure

[2]The Blumenfeld patent claim 3 is exemplary of broad, functional claiming. Claim 3 specifies "an elongated, stiff, laterally movable arm disposed over the surface of the water." In the Blumenfeld patent specification, this arm was depicted as a 12 to 40 *foot* long boom driven by a land-based oscillating motor. The California courts construed the broad claim language as covering a short 12 to 15 *inch* long outrigger arm extending from a floating capsule, and without any oscillating mechanism of any type included.

and, if the words of the claim can be read on the accused device, a judgment of patent infringement follows. Not only is such patent specifically enforced against the infringer, but the patent is then endowed with an adjudication of enforceable monopoly with which all others in the industry are thereafter confronted.

In *Sinclair & Carroll Co., Inc. v. Interchemical Corp.*, 325 U.S. 327, 330 (1947), this court noted that there had been a tendency among the lower courts to dispose of patent cases merely on the ground of non-infringement without going into the question of validity. Recognizing the public importance of the validity question, the *Sinclair* opinion admonished, but did not rule, that it was "better practice" to inquire fully into the validity question. Subsequently, the circuit courts interpreted the *Sinclair* opinion merely as a statement of preferred procedural practice but not as a rule of law. *M.O.S. Corp. v. John I. Haas Co., Inc.*, 375 Fed.2d 614, 616-617 (9th Cir. 1967), cites and analyzes various circuit court decisions and inconsistent practices regarding the *Sinclair* admonishment.[3]

---

[3]The Ninth Circuit Court of Appeals has absolutely declined to consider a lower court's decision on summary judgment for patent infringement without insisting that the trial court have a full hearing on the issue of validity. *Hycon Manufacturing Co. v. H. Koch & Sons*, 219 Fed.2d 353, 355-356, cert. den. 349 U.S. 953 (1955).

The Ninth Circuit has also declared as void as against public policy a contract in settlement of a prior controversy not to contest the validity of a patent, *Massillon-Cleveland-Akron Sign Co. v. Golden State Advertising Co., et al.*, 444 Fed.2d 425, 427 (U.S. App. Pndg.) (9th Cir. 1971), citing *Lear v. Adkins*, 395 U.S. 653, 668 (1969).

The Second and Fourth Circuits have ruled on the issue of patent validity on appeal even where such issue had been waived

In the October, 1969, term, this court granted certiorari from the 6th Circuit in *Standard Industries, Inc. v. Tigrett, Inc.*, 397 U.S. 586 (1970). In *Standard*, the issue of patent validity waiver in a contract action was in substance, although not in precise form, presented to this court which split 4 to 4 and thereby affirmed the judgment of the 6th Circuit. In the split decision, the late Mr. Justice Black filed a dissenting opinion in which Mr. Justice Douglas joined. The following brief excerpt from this opinion (1) demonstrates that the substantive issue of waiver was before the court, and (2) highlights the interest which the public has in the basic question that is again presented by this petition.

> ". . . Finally, and most importantly, an overriding public interest would be served by allowing petitioner to challenge the validity of this patent. . . . Although analytically this case may present a question of *waiver* and not retroactivity, the public interest which the Court felt required full retroactivity in Lear is an equally compelling reason for allowing petitioner's attack now in spite of the concessions below. I would vacate the judgments below and remand the case to the District Court for a determination of the

---

at trial. *Royal-McBee Corporation v. Smith-Corona Marchant, Inc.*, 295 Fed.2d 1, 3 (2nd Cir. 1961). *Ransburg Electro-Coating Corp. v. Proctor Electric Co.*, 317 F.2d 302, 303 (4th Cir. 1963).

Other circuits do consider infringement questions without insisting that the validity of the patent be adjudicated. *FMC Corp. v. F. E. Myers & Bro. Co.*, 384 Fed.2d 4, 13 (6th Cir. 1967) cert. den. 382 U.S. 847; 385 U.S. 846, reh. den. 382 U.S. 934 (1965); *Nyyssonen v. Bendix Corp.*, 342 Fed.2d 531, 537 (1st Cir. 1965); *HAP Corp. v. Heyman Mfg. Co.*, 311 Fed.2d 839, 844 (1st Cir. 1962) cert. den. 373 U.S. 903 (1963); *Marvin Glass & Associates v. Sears Roebuck & Co.*, 171 U.S.P.Q. 263 (5th Cir. 1971).

validity of the patent in issue." (Emphasis added).

(397 U.S. at p. 586)

Absent a ruling by this court, the underlying question of whether it is within sound public policy to permit a patent to be adjudicated only in reference to infringement and without regard to validity will continue to arise in various technical forms in both federal and state court actions. Unless and until this court ultimately rules on both the specific and underlying issues as are fairly raised in this petition, different courts and circuits will continue to reach different and inconsistent results.

II.

MAY A FINAL JUDGMENT OF A COURT PROPERLY DECREE A PATENT VALID NOTWITHSTANDING THAT (a) THE ISSUE OF VALIDITY WAS NEVER "EXPRESSLY RAISED OR OTHERWISE ALLUDED TO" IN THE STATE COURT ACTION PRIOR TO APPELLATE REVIEW AND THAT (b) THE DEFENSE OF VALIDITY IS DECREED TO HAVE BEEN WAIVED?

The State Appellate Court affirmed the final judgment decreeing the patent valid, while at the same time ruling that the issue of validity was never tried and had been waived by petitioner.[4]

---

[4]The trial court also concluded that validity had not been tendered as an issue, yet proceeded to render judgment on the issue simply on the existence of the statutory presumption. Petitioner contended, *inter alia*, in the court below, that a presumption does become operative unless and until the issue to which it is relevant has been raised.

This ruling and the final judgment affirmed thereby is not only erroneous but repugnant to federal patent policy as enunciated by this court in decisions such as *Sinclair & Carroll Co., Inc. v. International Corp.*, 325 U.S. 327, 330 (1947); *Graham v. John Deere*, 383 U.S. 1, 13 (1966); *Lear, Inc. v. Adkins*, 395 U.S. 653, 671 (1969), and *Blonder-Tongue Laboratories v. University of Illinois Foundation*, 402 U.S. 313, 334, 336 (1971).

Deere sets forth guidelines and instructions on how patent courts shall measure and determine the validity of a patent. Any patent that does not meet the *Deere* standards in respect to the tests of novelty and non-obviousness is invalid. *Sinclair* has admonished lower courts in the "public interest" to try the issue of validity and not dispose of patent litigation solely on the infringement issue. The *Lear and Blonder-Tongue* cases have emphasized the public importance in not encouraging or permitting potentially invalid patents to subsist.

The effect of the California judgment is to endow a patent with an adjudication of validity. This not only greatly strengthens the presumption of validity of the patent, but predicates the potential evil of other courts in other infringement actions bestowing on the California judgment the benefit of comity.

Petitioner submits that the decision of the Appellate Court affirming judgment of the Blumenfeld patent as valid, without the issue ever having been raised, is so clearly erroneous and repugnant as to warrant summary reversal of the judgment on this

petition. *Securities Exchange Commission v. Otis*, 338 U.S. 843 (1949).

III.

MAY A COURT PROPERLY CONCLUDE LITERAL INFRINGEMENT OF A PATENT CLAIM WITHOUT CONSTRUING AND INTERPRETING THE LANGUAGE OF THE CLAIM IN REFERENCE TO THE PATENTEE'S DRAWINGS AND SPECIFICATIONS WHICH SUPPORT THE CLAIM?

The California Court of Appeal affirmed the judgment of infringement upon a theory of claim construction contrary to controlling decisions of this court. The California court justified affirmance of literal infringement on the following erroneous proposition (Appendix A, p. viii):

> "To support a finding of literal infringement, however, such as was made in this case, all that is necessary is that all elements of the patented device be shown by the *claim* language to be present in the accused device." (Emphasis supplied.)

The California Court expressly conceded that the Blumenfeld patent disclosure showed a basic operating structure of a form and type totally absent from the accused "Pool Sweep" device.[4]

---

[4]The Court of Appeal's opinion concedes:

> "Appellants argue, however, that claim 3 must be read in the light of claims 1 and 2 as well as the drawings and figures shown in the Blumenfeld patent. These claims and drawings illustrate the land based motor and oscillator which operate and control the long boom or conduit extending over a pool. This cumbersome equipment is absent from the 'Pool Sweep' and for this reason appellants assert that their device is totally unlike the Blumenfeld cleaner." (Appendix A, p. viii)

The Court of Appeal decision as to infringem breaches the rules of claim construction as historica prescribed by this court making it mandatory tha patent claim always be interpreted and construed light of the patent drawings and description wh support the claim. *Hogg v. Emerson*, 11 How. 5 606-607 (1850); *Schriber-Schroth Co. v. Clevela Trust Co.*, 311 U.S. 211, 217 (1940); *United States Adams*, 383 U.S. 39, 48-49 (1966).

Accordingly, judgment below on the issue of pat infringement should be reversed.

CONCLUSION

For the foregoing reasons, it is respectfully su mitted that the petition be granted in all respects

Dated, San Francisco, California,
February 16, 1972.

Respectfully submitted,
CHARLES E. TOWNSEND, JR.,
Attorney for Petitioners.

TOWNSEND AND TOWNSEND,
STEPHEN S. TOWNSEND,
ANTHONY B. DIEPENBROCK,
WILLIAM D. MCCANN,
Of Counsel.

(Appendices Follow)

Appendix A

In the Court of Appeal
State of California
First Appellate District

DIVISION FOUR

1 Civil No. 28,849
(Sup. Ct. No. 46,759)

Charles M. Blumenfeld,
Plaintiff and Respondent,
vs.
Arneson Products, Inc., a corporation; and Howard M. Arneson, an individual,
Defendants and Appellants.

OPINION

This action was brought by the respondent. Charles M. Blumenfeld against the appellants Arneson Products, Inc., a corporation, and Howard M. Arneson, an individual. The purpose of the action was to recover royalties under a license agreement on swimming pool cleaners manufactured and sold by Arneson and alleged to be covered by a patent owned by Blumenfeld. The primary issue at trial was whether Arneson's pool cleaner was covered by the Blumen-

feld patent. The trial court found that the Arneson cleaner infringed Blumenfeld's patent and assessed damages. This appeal followed.

Blumenfeld received his patent December 29, 1959. In 1964 he granted an exclusive license to one Pansini (no longer a party to this action) with the right in Pansini to grant sublicenses. Pansini granted a license to Arneson and Arneson paid royalties to Blumenfeld under this arrangement. Later, Arneson developed a pool cleaning device which he called a "Pool Sweep" and which he considered to be totally different from anything covered by the Blumenfeld patent. Thereafter Arneson ceased to manufacture the Blumenfeld-type cleaner and concentrated on the manufacture and sale of his "Pool Sweep." He also ceased to pay royalties to Blumenfeld, contending that the Pool Sweep did not fall within any of the claims allowed in the Blumenfeld patent. The position assumed by Arneson and its challenge by Blumenfeld brought this action to court.

Before discussing the judgment and appellant's claims of error, it is necessary to give a brief description of the Blumenfeld pool cleaner and also the Arneson Pool Sweep. This is not an easy task. The briefs are replete with charts, drawings, diagrams and photographs, all of which greatly aid in understanding the mechanical operation of each device but which are not readily adapted for use in an appellate opinion.

The Blumenfeld device comprises an elongate, tubular, horizontal arm or boom that extends out from

the side of a pool over the surface of the water. In operation it swings or oscillates back and forth across the surface of the pool. One end of the boom is pivotally mounted on a carriage on the pool deck near the side of the pool. A land-based motor mechanically connected by oscillating linkage to the inner pivot end of the arm drives the boom so that it slowly swings horizontally and laterally back and forth over the surface of the pool. The outer end of the boom carries a float which keeps the boom from sinking into the pool as it swings back and forth across the surface. The boom telescopes to its longest length as it swings to its left and right extremities and contracts to its shortest length at the midpoint of its swing. The outer end of the boom supports a length of flexible hose which passes through the float and is long enough to reach the bottom of the pool. Water is pumped from a land-located pump through the boom to the hose dangling in the pool. According to the simple law of physics that for every action there is an equal and opposite reaction, the water jetting from the end of the hose in the pool causes the hose to writhe or "snake" back and forth along and around the bottom of the pool. This action stirs up the sediment in the pool and causes it to be circulated into the main drain at the bottom of the pool. The water with stirred up sediment passes through the drain to the filtering system and clean water is then returned to the pool.

Blumenfeld was granted six claims on this device. Only claim three was seriously disputed at trial, although appellants contended that claim three must be

read in light of the other claims, particularly claims one and two and also that it must be interpreted in reference to respondent's diagram and drawings. Claim three of the Blumenfeld patent reads thus:

"Apparatus for cleaning sediment out of a pool of liquid, the apparatus comprising:

"(a) a movable buoyant support adapted to float in the pool;

"(b) an elongated, stiff and laterally movable conduit disposed over the surface of the pool and carried by the buoyant support;

"(c) an elongated and downwardly extending hose connected at one end to the conduit so a discharge end of the hose is disposed in the vicinity of the bottom of the pool, the hose being flexible for a substantial portion of its length in the water;

"(d) means for supplying liquid under pressure to the conduit so that liquid flows from the discharge end of the hose and causes it to move due to reaction and so that sediment in the pool is stirred up by water flowing out of the hose; and

"(e) means for removing from the pool liquid with stirred up sediment."

The Arneson Pool Sweep consists of a self-propelled floating capsule or "head" which moves about over the surface of the pool in a programmed but very circuitous path to all parts of the pool. A stiff, laterally movable conduit, in length about 12 to 15 inches, supported by two floats is attached to the floating head of the Pool Sweep. Water under pressure is

supplied to the floating head through this conduit from a land based, flexible, submerged hose. This water under pressure causes the floating capsule of the Pool Sweep to move along its programmed route. From the capsule the water under pressure moves out through two hoses extending downward to the bottom of the pool. This action in turn causes the hoses to writhe or "snake" about and to perform the cleaning function for which the device was designed.

After a consideration of all the testimony and evidence, and also after viewing a film of appellants' Pool Sweep in operation, the trial court found that appellants' device possessed all of the elements described in claim three of respondent's patent; that appellants' cleaner was the functional equivalent of respondent's patented cleaner as defined in respondent's claim three; and that Blumenfeld's patent had thus been infringed. In a number of findings the trial court also noted and described the differences between the Blumenfeld cleaner and appellants' Pool Sweep, but concluded nevertheless that the additional equipment used by the Pool Sweep did not avoid infringement of respondent's claim three but rather was merely an addition to the basic structure as described in that claim.

The primary issue on appeal is whether the trial court was correct in its conclusion that appellants' Pool Sweep infringed claim three of respondent's patent.

Although 28 United States Code, section 1338, vests exclusive jurisdiction for the trial of patent cases in

the United States District Courts, it is well settled that state courts have jurisdiction to determine matters of title, infringement or validity of patents where such determination is ancillary and necessary to the main action. (*H. J. Heinz Co. v. Superior Court* (1954) 42 Cal.2d 164.) In determining matters of patent infringement or invalidity, state courts are bound to follow federal law. Here, of course, the respondent seeks only to recover damages for an alleged breach by appellants of an agreement to pay royalties. He properly brought the action in the state court. His right to recover, however, depends upon the extent of his patent monopoly and whether or not appellants have invaded that grant. In resolving this issue we must be guided by the controlling federal law as interpreted by the federal courts.

Appellants' first major contention is that their Pool Sweep does not literally infringe claim three of respondent's patent. In particular they point to the language of that claim which describes "a movable buoyant support adapted to float in the pool" and "an elongated, stiff and laterally movable conduit disposed over the surface of the pool and carried by the buoyant support." Appellants rely upon the well known rule that to support a finding of infringement each and every recited element in a patent claim must be found to exist in the accused device. (*Nelson v. Batson* (1963) 322 F.2d 132.) The trial court, after consideration of all the evidence, including a film of the Pool Sweep in operation, concluded that all elements described in respondent's claim three could be

seen in the Pool Sweep. In its memorandum decision the court specifically noted that appellants' cleaner uses a laterally movable stiff arm which: (1) supplies water under pressure to the head (and thus to the cleaning or "snaking" hoses); (2) separates the snaking hose from the water supply; (3) stabilizes; (4) moves laterally; and (5) affects the longitudinal movement of the head. These conclusions were in turn carried into the court's findings of fact (findings 16, 17, 18). Each of these findings is supported by the evidence. Most if not all are shown and described in the various figures and drawings before the court. There was some testimony to indicate that the relatively short rigid arm (12 to 15 inches) of the Pool Sweep served only as an outrigger to balance the head of the cleaner and was not in fact essential to its operation. Yet there was also testimony that, in its present form, the Pool Sweep required the rigid arm for successful operation, and the court made a finding to this effect.

Although there are definite differences between the respondent's cleaner and that of appellants', nevertheless the descriptive language of respondent's claim three may be clearly read and literally applied to appellants' cleaner. The elongated, stiff and laterally movable conduit disposed over the surface of the water is seen in the shortened arm of the Pool Sweep, serving the same basic purpose as the conduit described in Blumenfeld's claim three. Thus the trial court was correct in finding a literal infringement of the respondent's patent.

Appellants argue, however, that claim three must be read in the light of claims one and two as well as the drawings and figures shown in the Blumenfeld patent. These claims and drawings illuminate the land based motor and oscillator which operate and control the long boom or conduit extending over a pool. This cumbersome equipment is absent from the Pool Sweep and for this reason appellants assert that their device is totally unlike the Blumenfeld cleaner.

To support a finding of literal infringement, however, such as was made in this case, all that is necessary is that all elements of the patented device be shown by the claim language to be present in the accused device. Here, respondents' claim three does not specify any particular motive power or kind of movement. It makes no reference to the carriage, motor and oscillating equipment which drives and controls the device shown in respondents' patent drawings and illustrations. Accordingly, claim three should not be construed so as to impose limitations that are not in it. (*Electric Machinery Mfg. Co. v. General Electric Co.* (2 cir. 1937) 88 F.2d 11, 16; see also *Nelson v. Batson, supra,* 322 F.2d 132.) While there are definite differences between the Blumenfeld cleaner and the Arneson Pool Sweep, as the court noted in its findings, nevertheless the language of respondent's claim three may be literally applied to the Pool Sweep.

Appellants further fault the trial court because of its resort to what they describe as "plain English" in its interpretation of claim three. They contend this

claim may be read only in light of the patent specifications and when this is done it will be seen that the claim limitation describing "an elongated, stiff and laterally movable conduit disposed over the surface of the water and carried by the buoyant support . . ." is totally absent from the Pool Sweep. We see no merit in this contention. It is true that construction of a patent is seldom a matter of pure literalism. (*Merry Mfg. Co. v. Burns Tool Co.* (5 cir. 1964) 335 F.2d 239, 244.) Nevertheless, where words or phrases in a patent claim are unclear, the language used must be taken in its ordinary sense. (See *Chemical Construction Corp. v. Jones & Laughlin Steel Corp.* (3 cir. 1962) 311 F.2d 367, 371.) But we do not see any ambiguity in the language of claim three. The essential question before the court was whether it could read the specifications of the claim and see them present in the Pool Sweep. In reading the various elements of the claim and looking at the figures and diagrams in the record, it seems clear to us that the "elongated, stiff and laterally movable conduit" is present in the Pool Sweep. It is true that the conduit shown in the latter device is much shorter than that shown in the Blumenfeld drawings, but it is present nevertheless, at least in vestigial form, serving essentially the same function and accomplishing the same result. We find no error in the trial court's construction of the language used in claim three.

The appellants next contend there can be no infringement on respondent's patent because of lack of equivalency. Here they say that for an accused device to infringe a patent claim, the accused device

must be the full structural and functional equivalent of the device described in the patent specifications. They cite cases which declare that the accused device must "do the same work, in substantially the same way, and accomplish substantially the same result." (*Autogiro Company of America v. United States* (1967) 384 F.2d 391, 399-400, citing *Dominion Magnesium Limited v. United States* (1963) 320 F.2d 388, 396.) Other authorities have declared that before a patentee may establish infringement he must compare the accused structure with the patented structure, as described in the specifications and drawings, and he must establish substantial identity of means, operation and result. (See *Foster Cathead Company v. Hasha* (5th cir. 1967) 382 F.2d 761, 765.) Applying these principles to the case before us, appellants emphasize the wide differences between the Pool Sweep and Blumenfeld's cleaner. In particular they describe the long, land based boom, extending out over half the width of a swimming pool, and activated and driven by a land based motor. They also note the restricted path of the Blumenfeld cleaner and the limited results that may be expected from the use of that equipment. They emphasize that the Pool Sweep is not encumbered by the carriage, oscillating mechanism and long boom shown in the Blumenfeld drawings and specifications, and that in operation its path extends at random throughout the entire pool area, regardless of the shape of the pool.

The question before the trial court on this branch of the case was whether the Arneson Pool Sweep was the functional equivalent of the Blumenfeld cleaner.

This presented the ordinary question of fact to be resolved by the trial court in the usual way. After a consideration of all of the testimony and evidence, and after viewing a film of the Pool Sweep in operation, the trial judge concluded that it was in fact the functional equivalent of Blumenfeld's cleaner (finding 18). In accordance with the usual rule of appellate review, we may not set aside a trial court's finding of fact unless it is clearly erroneous, or, similarly, is not supported by substantial evidence. (*Graver Mfg. Co. v. Linde* (1950) 339 U.S. 605, 609-610; *Crawford v. Southern Pacific Co.* (1935) 3 Cal.2d 427, 429.) We think the trial court's finding is amply supported by the record. It is true that the Pool Sweep is a far more sophisticated cleaner than Blumenfeld's. But in considering all of the evidence and comparing the two cleaners the court focused its attention upon the short, rigid arm attached to an outrigger float and extending to the head of the Pool Sweep. As we have seen, water under pressure passes from the flexible supply hose through this short rigid arm to the head of the Pool Sweep and on to the snaking hoses below. In this assembly the court saw the remnant of the same device described in Blumenfeld's claim three, doing the same work, in essentially the same way. We conclude that the trial court's finding on the issue of equivalency is fully supported by the evidence.

Appellants further argue that the doctrine of "file wrapper estoppel" compels reversal of the judgment. This doctrine is peculiar to patent law and holds that: "Where the patentee in the course of his application in the patent office has, by amendment, cancelled or

surrendered claims, those which are allowed are to be read in the light of those abandoned and an abandoned claim cannot be revived and restored to the patent by reading it by construction into the claims which are allowed." (*Schriber Co. v. Cleveland Trust Co.* (1940) 311 U.S. 211, 217-218; see also *Adkins v. Lear, Inc.* (1967) 67 Cal.2d 882, 908.) This rule, the appellants say, is directly applicable to the facts of this case and operates to compel reversal of the judgment.

In support of the foregoing contention appellants assert that the entire history of the Blumenfeld patent application proceedings before the patent office was in evidence in the trial court. They stress in particular claim fourteen, which respondent requested, and which reads as follows: "Apparatus for cleaning sediment out of a pool of liquid, the apparatus comprising a movable buoyant support adapted to float in the pool, an elongated and downwardly extending hose supported by the buoyant support so a discharge end of the hose is disposed in the vicinity of the bottom of the pool, the hose being flexible for a substantial portion of its length in the water, means for supplying liquid under pressure to the other end of the hose so that liquid flows from the discharge end of the hose and causes it to move due to reaction and so that sediment in the pool is stirred up by water flowing out of the hose, and means for removing from the pool liquid with stirred up sediment."

In the patent proceedings, objection was raised to the allowance of claim fourteen. Thereafter the respondent withdrew and cancelled his request for the

patent protection described in that claim. The appellants contend that claim fourteen was broad enough to have been considered the same as or the equivalent of the Pool Sweep, and since it was withdrawn and cancelled, the respondent is estopped to assert that claim three has a broader aspect, such as described in claim fourteen, and hence covers appellant's cleaner.

We doubt the propriety of the estoppel argument on the record as it is presented to us. The reason for our concern is that an estoppel was never pleaded as a defense to the action, although the appellants' answer set up four separate and distinct defenses. We find in the record almost no testimony concerning the defense, although it was twice mentioned in the testimony of one witness. Apparently the entire patent office file was offered in evidence, but whether it was offered to show an estoppel, or for some other purpose, does not appear. We see no findings proposed by either party on this issue. The appellants proposed extensive counterfindings to the trial court but the only mention of anything resembling estoppel is contained in a proposed conclusion of law which reads: "1. Construction of claim limitations should not be made in a vacuum but should be made in light of the specification of the patent *and the history of rejection and amendment of claims.*" (Emphasis added.) The findings of fact and conclusions of law actually made by the trial court contain no reference to estoppel, file wrapper or otherwise. Thus it appears to us that this issue, if it was an issue, was never raised or

litigated in the trial court. If our view of the record is correct, this defense would not be available to appellants on appeal. Despite all this we have considered the defense as presented by appellants and find it to be unsupported.

An examination of cancelled claim fourteen shows that it does not require "an elongated, stiff and laterally movable conduit disposed over the surface of the pool and carried by the buoyant support." Claim fifteen, on the other hand (which became claim three), does require the elongated conduit just described. Appellants' Pool Sweep is not devoid of what may properly be described as "an elongated, stiff and laterally movable conduit disposed over the surface of the pool and carried by the buoyant support." True, the supporting arm of the head of the Pool Sweep is a great deal shorter than that shown in Blumenfeld's cleaner, and it is not attached to any shore based carriage or oscillatory equipment, but it is present nevertheless. Thus the Pool Sweep, in composition and operation, does not precisely fit the description of the apparatus described in respondent's claim fourteen, and the fact that that claim was cancelled and withdrawn affords no comfort to appellants. The decisive issue at the trial level was whether the court could see in the Pool Sweep the essentials of the device described in respondent's claim three, particularly the elongated, stiff and laterally movable conduit disposed over the surface of a pool. This issue was resolved in respondent's favor and, as we have previously seen, the evidence in the case supports the reasoning and findings of the trial court.

Finally, appellants argue the judgment must be reversed in order that the question of patent validity may be determined. We see no merit in this point.

In *Lear, Inc. v. Adkins* (1969) 395 U.S. 653, 670-671, the United States Supreme Court, departing from the prior rule, concluded that a licensee under a patent could challenge the validity of the patent in a suit based upon a license agreement. *Lear* was decided before the trial of this action. The record clearly establishes that both parties were aware of that decision, and in particular that appellants were aware of their right to challenge the validity of Blumenfeld's patent in the trial of this action. In colloquy between court and counsel, counsel for appellants expressly stated they were not contesting the validity of the respondent's patent and the court replied saying, among other things, that by stipulation "the Blumenfeld patent must be assumed to be and treated as valid." Apparently no evidence on the question of patent validity was offered by either party. The court found that, although appellants could have challenged the validity of respondent's patent, they did not do so, and in its conclusions of law recited that the patent must be presumed valid, in accordance with the provisions of 35 United States Code, section 282. The appellants argue, however, that, since there was no issue of patent validity tendered and no evidence one way or another on the question, it was error for the court to conclude that the patent was valid and that the judgment should be reversed so that this issue may be tried.

The question of the validity of respondent's patent is one that could have been raised in the trial of the action. Indeed, it could have been raised as a special defense and tried in advance of all other issues. If appellants had been successful in this move, the litigation would then have terminated without further trial. But the rule is clear that an issue, such as the one here raised, may not be withheld for later trial if other defenses, after appeal, are swept aside. The rule is that, if the matter was within the scope of the action, related to the subject matter and relevant to the issues, the judgment is conclusive on the question even though it was not in fact expressly raised or otherwise alluded to. (*Sutphin v. Speik* (1940) 15 Cal.2d 195, 202.) That rule is applicable here, and fully disposes of appellants' final contention.

The judgment is affirmed.

Certified for nonpublication.

Salsman, J.*

We concur:

Devine, P. J.

Rattigan, J.

Filed November 10, 1971,
Clifford C. Porter, Clerk.

*Retired Justice of the Court of Appeal sitting under assignment by the Chairman of the Judicial Council.

Appendix B

Christie, Parker & Hale
R. William Johnston
Russell R. Palmer, Jr.
201 South Lake Avenue
Pasadena, California 91101
Tele: (213) 795-5843

Freitas, Allen, McCarthy & Bettini
Gary T. Giacomini
960 Fifth Avenue
San Rafael, California 94901
Tele: (415) 456-7500
Attorneys for Plaintiff

Superior Court of the State of California
For the County of Marin

Civil Action No. 46,759

Charles M. Blumenfeld,
Plaintiff,
vs.
Arneson Products, Inc., a corporation, et al.,
Defendant.

Arneson Products, Inc., a corporation, et al.,
Cross-complainant,
vs.
Charles M. Blumenfeld,
Cross-defendant.

JUDGMENT

This action came on regularly for trial on August 5, 1969 at 10:00 a.m. R. William Johnston appeared as attorney for plaintiff, and Anthony B. Diepenbrock appeared as attorney for defendant. A jury trial having been waived, the court having heard the testimony and considered the evidence, and the court having already filed its findings of fact and conclusions of law on February 18, 1970;

It Is Adjudged:

I.

Claim 3 of plaintiff's U.S. Letters Patent No. 2,919,027 is valid and infringed by 21,906 "Pool Sweep" cleaners made and sold by defendants under the exclusive sublicense agreement dated April 23, 1964.

II.

Plaintiff is entitled to recover from defendants the principal sum of $164,295.00 plus interest (at 7%) of $18,738.54 accrued to February 25, 1970.

III.

Plaintiff shall recover his costs of suit in the sum of

.....

Dated: February 18, 1970.

/s/ Samuel W. Gardiner
Samuel W. Gardiner, Judge

Filed February 18, 1970,
Geo. H. Gnoss, County Clerk.

Appendix C

In the Court of Appeal
State of California
First Appellate District

DIVISION FOUR

1 Civil No. 28,849

CHARLES M. BLUMENFELD,
Plaintiff and Respondent,

vs.

ARNESON PRODUCTS, INC., et al.,
Defendants and Appellants.

BY THE COURT:

The Petition for a Rehearing filed in the above-entitled cause is hereby denied.

Dated, December 10, 1971

/s/ Devine, P. J.

Filed December 10, 1971,
Clifford C. Porter, Clerk.

Appendix D

3409-9

CLERK'S OFFICE SUPREME COURT
4250 State Building
San Francisco, California 94102

January 6, 1972

Dear Sir: I have this day filed Order .....

Hearing Denied

In re: 1 Civ. No. 28,849

Arneson Products, Inc.

vs.

Blumenfeld

Respectfully,
G. E. Bishel
Clerk

LIBRARY
SUPREME COURT, U. S.

IN THE

Supreme Court of the United States

Supreme Court, U.S.
FILED
MAR 8 1972
E. ROBERT SEAVER, CLERK

October Term, 1971
No. 71-1061

ARNESON PRODUCTS, INC., and HOWARD M. ARNESON,
Petitioners,

vs.

CHARLES M. BLUMENFELD,
Respondent.

Brief of Respondent in Opposition to Petition for Writ of Certiorari.

R. WILLIAM JOHNSTON,
201 South Lake Avenue,
Pasadena, Calif. 91101,
(213) 795-5843,
Attorney for Respondent.

RUSSELL R. PALMER, JR.,
CHRISTIE, PARKER & HALE,
201 South Lake Avenue,
Pasadena, Calif. 91101,
Of Counsel.

Parker & Son, Inc., Law Printers, Los Angeles. Phone 724-6622

SUBJECT INDEX

		Page
A.	Facts	1
B.	Petitioner's Proposed Non-Waivable Validity Defense Would Lead to Delays and Multiple Trials, Is Unsupported by Logic or Precedent, and Is Contrary to the Public Interest	2
C.	A Validity Finding Is a Necessary and Proper Part of the Trial Court Judgment	9
D.	The Trial Court's Analysis of Infringement Complies With the Standards Established by This Court	11
E.	Conclusion	14

TABLE OF AUTHORITIES CITED

Cases — Page

Blonder-Tongue Laboratories v. University of Illinois Foundation, 402 U.S. 313 (1971) 10

Dresser Industries, Inc. v. Smith-Blair, Inc., 322 F. 2d 878 (9th Cir. 1963) 9

FMC Corp. v. F. E. Myers & Bro. Co., 384 F.2d 4 (6th Cir. 1967) 6

Graver Tank Co. v. Linde Air Products Co., 339 U.S. 605 (1950) 11, 13

Hap. Corp. v. Heyman Mfg. Co., 311 F.2d 839 (1st Cir. 1962) 6, 7

Hycon Mfg. Co. v. H. Koch & Sons, 219 F.2d 353 (9th Cir. 1955) 7

Lear Inc. v. Adkins 395 U.S. 653 (1969) ..1, 3, 5, 6

Marvin Glass & Associates v. Sears, Roebuck & Co., 448 F.2d 60, 171 USPQ 263 (5th Cir. 1971) ..6, 7

M.O.S. Corp. v. John I. Haas Co., 375 F.2d 614 (9th Cir. 1967) 6

Nyyssonen v. Bendix Corp., 342 F.2d 531 (1st Cir. 1965) 6

Ransburg Electro-Coating Corp. v. Proctor Electric Co., 317 F.2d 302 (4th Cir. 1963) 7

Royal-McBee Corp. v. Smith-Corona Marchant, Inc., 295 F.2d 1 (2d Cir. 1961) 7

Sinclair & Carroll Co. v. Interchemical Corp., 325 U.S. 327 (1945) 6, 7, 8

Skil Corp. v. Lucerne Products, 167 USPQ 388 (N.D. Ill. 1970) 5

Standard Industries v. Tigrett Industries, 397 U.S. 586 (1970) 4, 5, 6

Sutphin v. Speik, 15 Cal.2d 195 (1940) 3

Wham-O Mfg. Co. v. Paradise Mfg. Co., 327 F.2d 748 (9th Cir. 1964) 9

Statutes

United States Code, Title 35, Sec. 282 ..... 2, 3, 6, 9

IN THE

Supreme Court of the United States

October Term, 1971
No. 71-1061

ARNESON PRODUCTS, INC., and HOWARD M. ARNESON,
Petitioners,

vs.

CHARLES M. BLUMENFELD,
Respondent.

Brief of Respondent in Opposition to Petition for Writ of Certiorari.

A. Facts.

The facts in this case are simple, and an outline is sufficient to evaluate petitioner's "Reasons for Granting Petition":

a. Respondent sued petitioner in a state court to recover unpaid royalties under a license agreement requiring payments on any swimming pool cleaner sold by petitioner and "covered by one or more valid and subsisting claims of [respondent's] patent. . . ."

b. The doctrine of licensee estoppel (which might have barred a patent-validity attack by petitioner) was abolished several months before trial in *Lear, Inc. v. Adkins*, 395 U.S. 653 (1969). Petitioner's counsel was fully aware of this decision before and during trial, but never-

theless declared to the trial judge on at least four occasions that he chose to refrain from questioning validity and would argue only that respondent's patent did not cover the product in question.

c. The trial judge held that the patent covered the product, and that the patent was valid as between the parties because a presumption of validity arises from 35 U.S.C. § 282 and no evidence was submitted to overcome the presumption. The product was therefore covered by the license agreement, and damages were awarded to respondent. This judgment was affirmed without dissent by the California District Court of Appeal, and the California Supreme Court declined further review.

B. Petitioner's Proposed Non-Waivable Validity Defense Would Lead to Delays and Multiple Trials, Is Unsupported by Logic or Precedent, and Is Contrary to the Public Interest.

Petitioner argues that validity is a non-waivable defense, and thus in effect attacks the power of a court to decide a patent-infringement issue in one trial proceeding if the party charged with imfringement deliberately refuses to attack validity of the patent. Petitioner ignores how the trial court will determine validity if (as in this case) defendant declines to present arguments and evidence on the issue.

Petitioner's proposal of non-waivability can be implemented in such a case only by requiring two successive trials, or by imposing on the court itself an obligation to gather and analyze evidence relevant to patent validity. The latter approach, which requires a

sua sponte investigation of validity by the court, is absurd because it ignores the adversary concept inherent in our legal system, and expands the concept of judicial notice to convert trial judges into investigators and evidence gatherers.

The dual-trial approach would enable an accused infringer or defaulting licensee to hold validity arguments in reserve until a final determination of infringement was made by the trial and appellate courts. A defendant disappointed with the outcome of the first trial could then subject the patent owner to a second trial and appeal on validity. This technique is detrimental to the public interest, and petitioner cites no case which supports such a magnification of court burden, litigation expense, and delay in obtaining a final judgment.

Multiple trials contravene the policy considerations which underlie both state and federal rules of *res judicata,* collateral estoppel, compulsory counterclaims, and affirmative-defense waiver. The U.S. Patent Laws (35 U.S.C. § 282) specifically require pleading of any invalidity defense. The California District Court of Appeal properly rejected petitioner's request for a second trial as being contrary to California law as expressed in *Sutphin v. Speik,* 15 Cal.2d 195, 202 (1940).

In *Lear, Inc. v. Adkins, supra,* there was no question of waiver because the defendant licensee attempted to attack validity at every stage of the suit, but was blocked by the license-estoppel doctrine. This Court swept aside the doctrine because the public interest in determining patent validity was best served by freeing parties with an economic interest at stake to raise a timely defense of invalidity. The case in no way supports petitioner's

dual-trial theory or the notion that validity is a non-waivable defense.

Petitioner's reliance on *Standard Industries v. Tigrett Industries*, 397 U.S. 586 (1970) is puzzling because neither the effect of the decision nor the language of the dissenting opinion supports the proposed theory of non-waivability. In *Standard Industries*, defendant in a pre-*Lear* trial did not challenge validity, and apparently conceded that this defense was unavailable under the then-prevailing doctrine of licensee estoppel. A judgment awarding license royalties to plaintiff was affirmed by the Court of Appeals, and then the *Lear* decision was issued. This Court granted certiorari to consider several questions, including a request that the action be remanded for trial of the validity issue.

The judgment for plaintiff in *Standard Industries* was affirmed *per curiam* by an equally divided Court. The effect of this affirmance was to deny defendant a second trial on the newly available validity question. Justices Black and Douglas joined in a dissenting opinion arguing that the requested remand should be granted under the circumstances there presented. A portion of the dissenting opinion states:

> "The failure to assert invalidity below cannot, in these circumstances, be deemed a waiver of that defense. The Court has recognized that to be effective a waiver must be 'an intentional relinquishment or abandonment of a known right or privilege,' Johnson v. Zerbst, 304 US 458, 464, 82 L Ed 1461, 1466, 58 S Ct 1019, 146 ALR 357 (1938), and we have frequently allowed parties to raise issues for the first time on appeal *when there has been a significant change in the law since the trial*. . . . In deciding whether such new

arguments can be considered, we have primarily considered three factors: first, whether there has been a material change in the law; second, whether assertion of the issue earlier would have been futile; and third, whether an important public interest is served by allowing consideration of the issue. It is clear to me that all these criteria are met in this case." 397 U.S. 586, 25 L.Ed. 2d 590, 591. (Emphasis added)

Giving full weight to the dissenting opinion, it still does not support petitioner's non-waivability theory. The "material change in the law" in the present case was *Lear* which was decided *before* trial where petitioner repeatedly acknowledged that licensee estoppel had been swept aside, but nevertheless declined any attack on validity. Thus, unlike *Standard Industries*, there was no barrier to timely assertion of a validity defense. Paraphrasing the words of the *Standard Industries* dissent, petitioner intentionally relinquished and abandoned any validity argument it may have had, and the defense was therefore waived.

The requirement of timely presentation of defenses as shown by *Standard Industries* is further illustrated in *Skil Corp. v. Lucerne Products*, ... F. Supp. ...., 167 USPQ 388 (N. D. Ill. 1970) where a pre-*Lear* summary judgment for plaintiff had been granted in a patent-royalty suit. After *Lear* was decided, the *Skil* court refused to reopen the validity issue (even though a full trial of other issues lay ahead) because defendant had earlier failed to attack validity during summary-judgment preceedings.

Petitioner here seeks consideration of a validity issue which was intentionally waived at trial with full

knowledge of *Lear*. Both *Standard Industries* and *Skil* refused to re-open the validity issue where judgments issued in a pre-*Lear* setting put defendants in a far more favorable position, and these decisions show that petitioner's argument is without merit.

Petitioner also suggests that review of this case is essential to cure inconsistent decisions in the lower courts on questions related to those in *Sinclair & Carroll Co. v. Interchemical Corp.*, 325 U.S. 327 (1945). The short answer is that this case does not present the problem raised in *Sinclair*.

This Court suggested in *Sinclair* that the better practice in patent cases was to make a validity determination for the public's benefit, even though the suit could be disposed of on the basis of non-infringement. The comments in *Sinclair* assume that evidence of both invalidity and non-infringement was presented at trial to enable findings on both issues. In the present case, the trial and appellate courts concluded that petitioner infringed the patent in suit, and that the patent was valid under the statutory presumption of 35 U.S.C. § 282 in the absence of any evidence of invalidity. *Sinclair* is therefore not in point.

The other cases cited by petitioner in support of the purported "conflict in the circuits" are similarly not in point where defendant is found to infringe and has failed to submit any evidence on validity. Thus, *M.O.S. Corp. v. John I. Haas Co.*, 375 F.2d 614 (9th Cir. 1967), *FMC Corp. v. F. E. Myers & Bro. Co.*, 384 F.2d 4 (6th Cir. 1967), *Nyyssonen v. Bendix Corp.*, 342 F.2d 531 (1st Cir. 1965), *Hap Corp. v. Heyman Mfg. Co.*, 311 F.2d 839 (1st Cir. 1962), and *Marvin Glass & Associates v. Sears, Roebuck & Co.*, 448 F.

2d 60, 171 USPQ 263 (5th Cir. 1971), are all cases in which an appellate court declined a validity analysis where the patent was *not* infringed.

Of the cases just listed, *Hap Corp. v. Heyman Mfg. Co.* is of special interest as it also deals with defenses omitted at trial but raised on appeal:

> "Heyman also seeks, on this appeal, to have us find that the '384 and '385 patents were anticipated. Not having disputed the issue of validity below, it cannot do so now in order to obtain a reversal. It is not enough that the record may contain evidence on which appellant may piece together a case." 311 F.2d at 844.

Respondent has no quarrel with this case because its non-*Sinclair* aspect is squarely opposed to petitioner's proposal of non-waivability of validity defenses. As the case relates to *Sinclair*, it is not relevant to a situation where (as here) the patent is infringed.

Petitioner also cites *Hycon Mfg. Co. v. H. Koch & Sons*, 219 F.2d 353 (9th Cir. 1955), *Royal-McBee Corp. v. Smith-Corona Marchant, Inc.*, 295 F.2d 1 (2d Cir. 1961), and *Ransburg Electro-Coating Corp. v. Proctor Electric Co.*, 317 F.2d 302 (4th Cir. 1963). *Hycon* was simply a reversal and remand of a summary judgment holding of validity where issues of fact required a trial for resolution. *Royal-McBee* permitted an initial validity challenge on appeal, but only where the evidence presented was already of record in the trial proceeding, and where this Court had decided several major cases relevant to validity subsequent to trial and while the appeal was pending. *Ransburg* affirmed a judgment holding several patents valid and infringed, with the Court of Appeals gratuitously commenting on several issues in the record but not contested at trial.

ity finding to support both its infringement decision and its determination that royalties should be paid according to the contract.

This Court's concern over the complexity and expense of patent litigation was expressed less than one year ago in *Blonder-Tongue Laboratories v. University of Illinois Foundation*, 402 U.S. 313, 329-30, 334-38 (1971). The decision specifically refers to the need for evidence of invalidity if the statutory presumption of validity is to be overcome. The necessity of giving each party a complete opportunity to litigate all issues was stressed, but the Court eliminated mutuality as a requirement of a collateral-estoppel defense.

The purpose of this new rule was to conserve judicial energy, and to minimize the burden and cost of patent litigation. These same goals are served by making a validity finding at the same time the question of infringement is determined. There is no justification for piecemeal defenses, and the procedures followed by the California courts in this action support the policy objectives of *Blonder-Tongue*.

Petitioner states that the "effect of the California judgment is to endow a patent with an adjudication of validity". This is certainly true as between the parties to this suit. That decision, however, binds only the parties, and does not prejudice the right of any third person to question validity in a future action.

The validity finding was necessary in the judgment, and is not contrary to either federal patent policy or the public interest. No question under either state or federal law is presented which requires the attention of this Court.

D. The Trial Court's Analysis of Infringement Complies With the Standards Established by This Court.

The test of "legal" infringement involves first a determination of whether the product in question has the structure *literally* recited in a patent claim. If all elements defined in the claim are present in the product, "literal" infringement is established. The second step is to confirm that the product is the *equivalent* of the invention disclosed in the patent. A determination of equivalence plus literal infringement establishes legal infringement of the claim, assuming that the claim is considered valid as discussed above.

This test was clearly established in *Graver Tank Co. v. Linde Air Products Co.*, 339 U.S. 605, 607-10 (1950). With respect to literal infringement, this decision states:

> "In determining whether an accused device or composition infringes a valid patent, resort must be had in the first instance to the words of the claim. If accused matter falls clearly within the claim, infringement is made out and that is the end of it." 339 U.S. at 607.

The reason for an equivalence test is then discussed:

> "[W]here a device is so far changed in principle from a patented article that it performs the same or a similar function in a substantially different way, but nevertheless falls within the literal words of the claim, the doctrine of equivalents may be used to restrict the claim and defeat the patentee's action for infringement." 339 U.S. at 608-09.

The following comments are then made on the determination of equivalence:

> "What constitutes equivalency must be determined against the context of the patent, the prior art, and the particular circumstances of the case. Equivalence, in the patent law, is not the prisoner of a formula and is not an absolute to be considered in a vacuum. It does not require complete identity for every purpose and in every respect. In determining equivalents, things equal to the same thing may not be equal to each other and, by the same token, things for most purposes different may sometimes be equivalents. Consideration must be given to the purpose for which an ingredient is used in a patent, the qualities it has when combined with the other ingredients, and the function which it is intended to perform. . . .
>
> "A finding of equivalence is a determination of fact. . . . Like any other issue of fact, final determination requires a balancing of credibility, persuasiveness and weight of evidence. It is to be decided by the trial court and that court's decision, under general principles of appellate review, should not be disturbed unless clearly erroneous." 339 U.S. at 609-10.

The trial and appellate courts below first found that petitioner's product fell within the literal wording of the patent claim (see discussion at pages vi-ix of the petition appendix). These courts then proceeded to determine that petitioner's product was the functional equivalent of the device disclosed in the patent (discussed at pages ix-xi of the petition appendix). The ultimate finding of legal infringement was accordingly

fully supported by the evidence and the legal standards set forth in *Graver Tank*.

The comments on pages 13-14 of the petition are misleading and erroneous for these reasons:

1. Petitioner's Question III reads as follows: "May a court properly conclude literal infringement of a patent claim without construing and interpreting the language of the claim in reference to the patentee's drawings and specifications which support the claim?" The question is nonsense. *Literal* infringement involves reference to the claim language alone. The patent specification and drawings are of course relevant, but to the question of equivalency rather than literal infringement. Both steps were fully investigated by the courts below.

2. Petitioner erroneously states that "The California Court expressly conceded that the Blumenfeld patent disclosure showed a basic operating structure of a form and type totally absent from the accused 'Pool Sweep' device." [Petition p. 13]. This statement is supposedly supported in footnote 4 [Petition p. 13] which quotes the appellate court's recitation of petitioner's *argument*, and not the findings of the court. This portion of the appellate decision rejected petitioner's attempt to insert elements of other claims into the infringed claim, and the court below in no way inferred the total structural difference asserted by petitioner.

3. The first paragraph on petition page 14 suggests that the infringement determination was made without reference to the patent drawings

and description. The appellate decision below, however, makes clear that the patent drawings and description were exhaustively reviewed both at trial and on appeal. The patent disclosure is carefully summarized in the appellate decision [Petition pp. ii-iii], and the disclosure is thereafter used repeatedly in supporting the affirmance of the judgment.

The courts below carefully analyzed both respondent's patent and petitioner's product, and the determination of infringement was in full compliance with the standards set by this Court. No basis is shown for further review of the issue.

E. Conclusion.

This action has been pending for more than six years, and petitioner would extend it by having this Court endorse piecemeal litigation. Respondent is unaware of any flaw in his patent, and petitioner has at no stage of this litigation presented any evidence of invalidity. Petitioner's plea for a second trial is unjustified. The decision below is correct and fully supported by the evidence. The petition should be denied.

Respectfully submitted,

Pasadena, California
March 7, 1972

R. WILLIAM JOHNSTON,
Attorney for Respondent.

RUSSELL R. PALMER, JR.,
CHRISTIE, PARKER & HALE,
Of Counsel.

P

LIBRARY
SUPREME COURT U. S.

In the Supreme Court

OF THE

United States

OCTOBER TERM, 1971

Supreme Court, U. S.
FILED
APR 18 1972
MICHAEL RODAK, JR., CLERK

No. 71-1061

ARNESON PRODUCTS, INC., and HOWARD M. ARNESON,
Petitioners,
vs.
CHARLES M. BLUMENFELD, *Respondent.*

PETITION FOR REHEARING OF PETITION FOR A WRIT OF CERTIORARI to the California Court of Appeal, First Appellate District, Division Four

CHARLES E. TOWNSEND, JR.,
One Kearny Street,
San Francisco, California 94108,
Telephone: (415) 397-4757,
Attorney for Petitioners.

TOWNSEND AND TOWNSEND,
STEPHEN S. TOWNSEND,
ANTHONY B. DIEPENBROCK,
WILLIAM D. MCCANN,
One Kearny Street,
San Francisco, California 94108,
Telephone: (415) 397-4757,
Of Counsel.

PERNAU-WALSH PRINTING CO. - 562 MISSION STREET - SAN FRANCISCO - CA 94105

Subject Index

	Page
Jurisdiction	2
Grounds for rehearing	2

Table of Authorities Cited

Cases

	Page
Blonder-Tongue Laboratories v. University of Illinois Foundation, 402 U.S. 313 (1971)	4
Graham v. John Deere, 383 U.S. 1 (1966)	3
Lear, Inc. v. Adkins, 395 U.S. 653 (1969)	4
Shriber-Schroth Co. v. Cleveland Trust Co., 305 U.S. 47 (1938)	3
Sinclair & Carroll Co., Inc. v. International Corp., 325 U.S. 327 (1947)	3

Rules

Supreme Court Rule 58(2)	2

In the Supreme Court
OF THE
United States

OCTOBER TERM, 1971

No. 71-1061

ARNESON PRODUCTS, INC., and HOWARD M. ARNESON,
Petitioners,

vs.

CHARLES M. BLUMENFELD, *Respondent.*

PETITION FOR REHEARING OF PETITION FOR A WRIT OF CERTIORARI to the California Court of Appeal, First Appellate District, Division Four

The petitioners Arneson Products, Inc., and Howard M. Arneson respectfully pray that the Supreme Court of the United States rehear Arneson's Petition for a Writ of Certiorari to review the judgment and option of the California Court of Appeal, First Appellate District, Division Four, which Petition was denied on March 27, 1972.

JURISDICTION

The Supreme Court has jurisdiction to grant a rehearing of and rehear Arneson's Petition for a Writ of Certiorari pursuant to Supreme Court Rule 58(2).

GROUNDS FOR REHEARING

The major questions raised by Arneson's Petition, filed with the Court on February 18, 1972, were whether the issue of a patent's validity is a waivable defense, and whether a Court should be permitted under any circumstances to adjudge a patent valid when the issue of validity had been deemed waived. On page 12 of its Petition, Arneson observed and cautioned hypothetically, that:

> "The effect of the California judgment is to endow a patent with an adjudication of validity. This not only greatly strengthens the presumption of validity of the patent, but predicates the potential evil of other courts in other infringement actions bestowing on the California judgment the benefit of comity."

The basic hypothetical evil presented in Arneson's Petition has now become reality. More specifically, on February 11, 1972, after Arneson's Petition for a Writ of Certiorari was in the hands of the printer and six days before it was mailed for filing of February 18, 1972, respondent Blumenfeld filed in the United States District Court for the Northern District of California a counterclaim against Arneson for patent infringement under the Patent Laws of the United

States in respect to alleged infringement by Arneson of U.S. Patent 2,919,027 since cancellation of a license in July, 1969. In its counterclaim, reproduced in this petition as Appendix A, Blumenfeld has affirmatively pleaded that Arneson, by virtue of the State Court's declaration of validity, is collaterally estopped from challenging the validity of the patent in the U.S. District Court action.

Since Arneson's brief was in printing when it received Blumenfeld's counterclaim, Arneson was unable to raise before the Supreme Court Blumenfeld's attempted collateral reliance on an ex cathedra *State court* declaration of validity in a subsequent *Federal court* action which seeks an accounting due to alleged patent infringement.

It is, therefore, respectfully submitted that the filing of Blumenfeld's counterclaim is not only an intervening circumstance of substantial and controlling effect, but also gives rise to an additional ground of issuance of the writ, unavailable from a practical standpoint at the moment of filing. *Shriber-Schroth Co. v. Cleveland Trust Co.*, 305 U.S. 47, 50 (1938).

To give collateral effect to a State court judgment of validity, where the issue of validity was never tendered nor tried, in a subsequently filed federal action for patent infringement flies in the face of federal patent policy as announced by this Court in the following decisions:

Sinclair & Carroll Co., Inc. v. International Corp., 325 U.S. 327, 330 (1947):

Graham v. John Deere, 383 U.S. 1, 13 (1966):

Lear, Inc. v. Adkins, 395 U.S. 653, 671 (1969); and

Blonder-Tongue Laboratories v. University of Illinois Foundation, 402 U.S. 313, 334, 336 (1971).

Blumenfeld's reliance upon the collateral estoppel effect of the State court judgment affirmatively asserts the patent as an indisputable monopoly, unbridled by a judicial determination as to its true legal scope. This Honorable Court should reverse the decision of the California Court of Appeal or, in the alternative, mandate that the issue of U.S. Patent 2,919,027's validity be tried on the merits by the District Court for the Northern District of California.

Dated, San Francisco, California,
April 14, 1972.

Respectfully submitted,
CHARLES E. TOWNSEND, JR.,
Attorney for Petitioners.

TOWNSEND AND TOWNSEND,
STEPHEN S. TOWNSEND,
ANTHONY B. DIEPENBROCK,
WILLIAM D. MCCANN,
Of Counsel.

Certificate of Counsel

I, Charles E. Townsend, Jr. am the principal attorney of record for Petitioner and hereby certify that the foregoing petition is presented in good faith for bona fide legal reasons and not for purposes of delay, and is confined to the intervening circumstance of respondent's reliance on a previously unlitigated State Court finding of patent validity in a subsequently filed Federal action.

Dated, San Francisco, California,
April 14, 1972.

Charles E. Townsend, Jr.

(Appendix A Follows)

Appendix A

Christie, Parker & Hale
R. William Johnston
Russell R. Palmer, Jr.
201 South Lake Avenue
Pasadena, California 91101
Telephone: (213) 795-5843
Attorneys for Defendant

In the United States District Court
Northern District of California

Civil Action No. C-72-3-SAW

Arneson Products, Inc., a California corporation
Plaintiff,
vs.
Charles M. Blumenfeld.
Defendant.

ANSWER AND COUNTERCLAIM

Defendant Blumenfeld answers plaintiff's complaint and counterclaims as follows:

1. Defendant admits the allegations in Complaint Paragraphs I and II.

2. Defendant denies the allegations in Complaint Paragraph III because plaintiff is barred by collateral

estoppel from questioning validity and infringement of U.S. Patent 2,919,027. This Court should decline jurisdiction of plaintiff's declaratory-relief in view of the state-court action referred to in Paragraph 6 below.

3. Defendant admits the allegations in Complaint Paragraph IV.

4. Defendant admits the allegations of the first three sentences of Complaint Paragraph V, but denies the allegations of the fourth and fifth sentences of Paragraph V. The full text of Conclusion of Law IV referred to in Paragraph V is:

> "In accordance with 35 U.S.C. 282, claim 3 of plaintiff's [Blumenfeld] U.S. Patent No. 2,919,027 is presumed to be valid, and no testimony or other evidence overcame that presumption. Accordingly, Claim 3 of U.S. Patent No. 2,919,027 is valid and infringed by the defendants' [Arneson] "Pool Sweep" cleaner, although no issue of validity was tendered herein."

5. Defendant denies the allegations of Complaint Paragraphs VI, VII and VIII, and denies that plaintiff is entitled to any relief requested in the Complaint.

Affirmative Defense

6. Plaintiff is barred by collateral estoppel from relitigating validity of claim 3 of defendant's U.S. Patent 2,919,027, and infringement of claim 3 of the patent by plaintiff's "Pool Sweep" device. These questions are determined by a judgment (copy attached as Exhibit 1) of the Superior Court of Marin County,

California, in an action titled Blumenfeld v. Arneson Products, Inc., et al. This judgment was affirmed by the First Appellate District of the California Court of Appeal (the decision is reported at 172 U.S.P.Q. 76, copy attached as Exhibit 2), a petition for rehearing was denied by the Court of Appeal on December 10, 1971, and a petition for hearing was denied by the California Supreme Court on January 6, 1972.

Counterclaim

7. This counterclaim arises under the Patent Laws of the United States, and this Court has jurisdiction under 28 U.S.C. 1338(a).

8. Defendant owns U.S. Patent 2,919,027 which was duly and legally issued to defendant by the U.S. Patent Office on December 29, 1959.

9. Plaintiff resides and has a regular and established place of business in the Northern District of California.

10. Plaintiff makes and sells in the Northern District of California a "Pool Sweep" swimming-pool cleaner.

11. Plaintiff's "Pool Sweep" cleaner, for purposes of determining infringement of claim 3 of defendant's U.S. Patent 2,919,027, is identical to plaintiff's "Pool Sweep" cleaner which is the subject of the judgment referred to in Paragraph 6 above.

12. Plaintiff's "Pool Sweep" cleaner infringes claim 3 of defendant's U.S. Patent 2,919,027.

13. Plaintiff's "Pool Sweep" cleaner has been determined to infringe claim 3 of defendant's U.S. Pat-

ent 2,919,027 by the judgment referred to in Paragraph 6 above.

14. Claim 3 of defendant's U.S. Patent 2,919,027 has been determined valid as between the parties to this action by the judgment referred to in Paragraph 6 above.

15. Plaintiff has intentionally infringed claim 3 of defendant's U.S. Patent 2,919,027 in disregard of the judgment referred to in Paragraph 6 above, and defendant is entitled to recover its attorney fees in defending and prosecuting this action.

Wherefore, defendant requests a preliminary and final injunction restraining plaintiff from further acts of infringement, an accounting for damages, an award to defendant of three times the damages determined by the accounting, an assessment of costs against plaintiff, an award of attorney fees to defendant, and an order denying any relief on plaintiff's claim.

Christie, Parker & Hale
Attorneys for Defendant

s/ R. W. Johnston
R. William Johnston

Dated, February 10, 1972.

CERTIFICATE OF SERVICE

A copy of the foregoing Answer and Counterclaim was served on plaintiff Arneson Products, Inc. this 10th day of February 1972 by first class mail directed to its attorney of record Townsend and Townsend, One Kearny Street, San Francisco, California 94108.

R. William Johnston